

STATE OF SOUTH CAROLINA

(Caption of Case)

Application of Goat Island Water &  
Sewer Co., Inc. for an Increase  
in its Rates and Charges for the  
Provision of Water and Sewer Services  
and Approval of Management Agreement

BEFORE THE  
PUBLIC SERVICE COMMISSION  
OF SOUTH CAROLINA

COVER SHEET

DOCKET

NUMBER: 2008 - \_\_\_\_ - W/S

(Please type or print)

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NOTE: The cover sheet and information contained herein neither replaces nor supplements the filing and service of pleadings or other papers as required by law. This form is required for use by the Public Service Commission of South Carolina for the purpose of docketing and must be filled out completely.

**DOCKETING INFORMATION** (Check all that apply)

☐ Emergency Relief demanded in petition ☐ Request for item to be placed on Commission's Agenda expeditiously

☒ Other: Routine

INDUSTRY (Check one)	NATURE OF ACTION (Check all that apply)			
<input type="checkbox"/> Electric	<input type="checkbox"/> Affidavit	<input type="checkbox"/> Letter	<input type="checkbox"/> Request	
<input type="checkbox"/> Electric/Gas	<input type="checkbox"/> Agreement	<input type="checkbox"/> Memorandum	<input type="checkbox"/> Request for Certificatio	
<input type="checkbox"/> Electric/Telecommunications	<input type="checkbox"/> Answer	<input type="checkbox"/> Motion	<input type="checkbox"/> Request for Investigation	
<input type="checkbox"/> Electric/Water	<input type="checkbox"/> Appellate Review	<input type="checkbox"/> Objection	<input type="checkbox"/> Resale Agreement	
<input type="checkbox"/> Electric/Water/Telecom.	<input checked="" type="checkbox"/> Application	<input type="checkbox"/> Petition	<input type="checkbox"/> Resale Amendment	
<input type="checkbox"/> Electric/Water/Sewer	<input type="checkbox"/> Brief	<input type="checkbox"/> Petition for Reconsideration	<input type="checkbox"/> Reservation Letter	
<input type="checkbox"/> Gas	<input type="checkbox"/> Certificate	<input type="checkbox"/> Petition for Rulemaking	<input type="checkbox"/> Response	
<input type="checkbox"/> Railroad	<input type="checkbox"/> Comments	<input type="checkbox"/> Petition for Rule to Show Cause	<input type="checkbox"/> Response to Discovery	
<input type="checkbox"/> Sewer	<input type="checkbox"/> Complaint	<input type="checkbox"/> Petition to Intervene	<input type="checkbox"/> Return to Petition	
<input type="checkbox"/> Telecommunications	<input type="checkbox"/> Consent Order	<input type="checkbox"/> Petition to Intervene Out of Time	<input type="checkbox"/> Stipulation	
<input type="checkbox"/> Transportation	<input type="checkbox"/> Discovery	<input type="checkbox"/> Prefiled Testimony	<input type="checkbox"/> Subpoena	
<input type="checkbox"/> Water	<input checked="" type="checkbox"/> Exhibit	<input type="checkbox"/> Promotion	<input type="checkbox"/> Tariff	
<input checked="" type="checkbox"/> Water/Sewer	<input type="checkbox"/> Expedited Consideration	<input type="checkbox"/> Proposed Order	<input type="checkbox"/> Other:	
<input type="checkbox"/> Administrative Matter	<input type="checkbox"/> Interconnection Agreement	<input type="checkbox"/> Protest		
<input type="checkbox"/> Other:	<input type="checkbox"/> Interconnection Amendment	<input type="checkbox"/> Publisher's Affidavit		
	<input type="checkbox"/> Late-Filed Exhibit	<input type="checkbox"/> Report		

**BEFORE**  
**THE PUBLIC SERVICE COMMISSION**  
**OF SOUTH CAROLINA**

**DOCKET NO. 2008-\_\_\_\_-WS**

IN RE: Application of Goat Island Water &	)	
Sewer Co., Inc. for an Increase	)	
in its Rates and Charges for the	)	APPLICATION
Provision of Water and Sewer Services	)	
and Approval of Management Agreement	)	

Goat Island Water & Sewer Co., Inc. (“Applicant” or “Company”) would respectfully show unto, and request of the Public Service Commission of South Carolina, (“Commission”) as follows:

**BACKGROUND**

1. Applicant is a corporation organized and existing under the laws of the State of South Carolina.
2. Applicant is a public utility, as defined by S.C. Code Ann. § 58-5-10(3) (Supp. 2006), providing water and/or sewer services to the public for compensation in certain areas of South Carolina, pursuant to rates approved by the Commission, and as modified and conformed in Docket No. 2007-234-WS, Order No. 2007-655 issued on September 26, 2007 (Also see, Docket No. 2007-107-W), and is subject to the jurisdiction of this Commission.
3. All communications or inquires regarding this Application should be directed as set forth below:

Applicant

Timothy P. Oliver  
Goat Island Water & Sewer Co., Inc.  
2039 Lake Marion Shores Road  
Summerton, S.C. 29148

Attorneys of Record

Richard L. Whitt  
Austin & Rogers, P.A.  
508 Hampton Street, Suite 300  
Columbia, S.C. 29201  
(803) 251-7442

4 The South Carolina Office of Regulatory Staff is being served with a copy of these pleadings.

5 The South Carolina Department of Health and Environmental Control (hereinafter, "SCDHEC") is also being served with a copy of these pleadings.

**REQUEST FOR RATE RELIEF (WATER)**

6 Pursuant to S.C. Code Ann. § 58-5-240 (Supp. 2006) and 26 S.C. Code Ann. Regs. RR. 103-512.4.A and 103-712.4.A (1976, as amended) (and other applicable regulations and statutes), Applicant requests that the Commission approve the monthly water charges set forth in the rate schedule attached hereto and incorporated herein as Exhibit, "A".

**PHASE-IN OF RATE RELIEF (WATER)**

7 Applicant proposes to implement an increase in its rates and charges for water, in two phases. **Phase One** would be implemented 30 days after the issuance of a Commission Order. **Phase Two** would be implemented over a five year time frame as the Applicant installs meters for each affected System. The Phase-in schedule is proposed to be, as much as practicable:

<u><b>Area 1.</b></u> Wyboo Water.....	within <b>12 months</b> of the Commission Order
<u><b>Area 2.</b></u> Sigfield Water Dept.....	within <b>18 months</b> of the Commission Order
<u><b>Area 3.</b></u> E & R Partnership (LMS).....	within <b>24 months</b> of the Commission Order
<u><b>Area 4.</b></u> E & R Partnership (Gin Pond)....	within <b>30 months</b> of the Commission Order
<u><b>Area 5.</b></u> Haynesworth Mill.....	within <b>42 months</b> of the Commission Order
<u><b>Area 6.</b></u> Goat Island Water & Sewer.....	within <b>60 months</b> of the Commission Order

**(Individual System Information Follows)**



\*\*\*\*\*AREA 1. WYBOO WATER:\*\*\*\*\*

## Current Water Rates &amp; Revenue Schedule

System Name	Number of Customers	Base Facility Charge	Commodity Charge per 1000 gal	Average Consumption gallons	Current Docket Year	Average Customer Bill
Wyboo Water Department	148	\$12.00	\$0.00	5,500	2007	\$12.00

Proposed Water Rates & Revenue Schedule - Phase I  
To Be Implemented 30 Days After Date of Commission Order

System Name	Number of Customers	Base Facility Charge	Commodity Charge per 1000 gal	Average Consumption gallons	Current Docket Year	Average Customer Bill
Wyboo Water Department	148	\$24.00	\$0.00	5,500	2007	\$24.00

Proposed Water Rates & Revenue Schedule - Phase II  
To Be Implemented Over a 5 Year Period - within 12 months of Commission Order

System Name	Number of Customers	Base Facility Charge	Commodity Charge per 1000 gal	Average Consumption gallons	Current Docket Year	Average Customer Bill
Wyboo Water Department	148	\$23.00	\$2.50	5,500	2007	\$36.75

\*\*\*\*\*AREA 2. SIGFIELD WATER DEPARTMENT:\*\*\*\*\*

## Current Water Rates &amp; Revenue Schedule

System Name	Number of Customers	Base Facility Charge	Commodity Charge per 1000 gal	Average Consumption gallons	Current Rate Docket Year	Average Customer Bill
Sigfield Water Department	90	\$34.00	\$0.00	5,500	1997	\$34.00

Proposed Water Rates & Revenue Schedule - Phase I  
To Be Implemented 30 Days After Date of Commission Order

System Name	Number of Customers	Base Facility Charge	Commodity Charge per 1000 gal	Average Consumption gallons	Current Rate Docket Year	Average Customer Bill
Sigfield Water Department	90	\$34.00	\$0.00	5,500	1997	\$34.00

Proposed Water Rates & Revenue Schedule - Phase II  
To Be Implemented Over a 5 Year Period - within 18 months of Commission Order

System Name	Number of Customers	Base Facility Charge	Commodity Charge per 1000 gal	Average Consumption gallons	Current Rate Docket Year	Average Customer Bill
Sigfield Water Department	90	\$23.00	\$2.50	5,500	1997	\$36.75

\*\*\*\*\*AREA 3. E & R PARTNERSHIP (LMS):\*\*\*\*\*

Current Water Rates & Revenue Schedule

System Name	Number of Customers	Base Facility Charge	Commodity Charge per 1000 gal	Average Consumption gallons	Current Rate Docket Year	Average Customer Bill
E & R Partnership (LMS)	222	\$19.00	\$0.00	5,500	1997	\$19.00

Proposed Water Rates & Revenue Schedule - Phase I  
To Be Implemented 30 Days After Date of Commission Order

System Name	Number of Customers	Base Facility Charge	Commodity Charge per 1000 gal	Average Consumption gallons	Current Rate Docket Year	Average Customer Bill
E&R Partnership - LMS	222	\$30.00	\$0.00	5,500	1997	\$30.00

Proposed Water Rates & Revenue Schedule - Phase II  
To Be Implemented Over a 5 Year Period - within 24 months of Commission Order

System Name	Number of Customers	Base Facility Charge	Commodity Charge per 1000 gal	Average Consumption gallons	Current Rate Docket Year	Average Customer Bill
E&R Partnership - LMS	222	\$23.00	\$2.50	5,500	1997	\$36.75

\*\*\*\*\*AREA 4. E & R PARTNERSHIP (GIN POND):\*\*\*\*\*

Current Water Rates & Revenue Schedule

System Name	Number of Customers	Base Facility Charge	Commodity Charge per 1000 gal	Average Consumption gallons	Current Rate Docket Year	Average Customer Bill
E&R Partnership - Gin Pond	59	\$19.00	\$0.00	5,500	1997	\$19.00

Proposed Water Rates & Revenue Schedule - Phase I  
To Be Implemented 30 Days After Date of Commission Order

System Name	Number of Customers	Base Facility Charge	Commodity Charge per 1000 gal	Average Consumption gallons	Current Rate Docket Year	Average Customer Bill
E&R Partnership- Gin Pond	59	\$30.00	\$0.00	5,500	1997	\$30.00

Proposed Water Rates & Revenue Schedule - Phase II  
To Be Implemented Over a 5 Year Period - within 30 months of Commission Order

System Name	Number of Customers	Base Facility Charge	Commodity Charge per 1000 gal	Average Consumption gallons	Current Rate Docket Year	Average Customer Bill
E&R Partnership- Gin Pond	59	\$23.00	\$2.50	5,500	1997	36.75

\*\*\*\*\***AREA 5. HAYNESWORTH MILL:**\*\*\*\*\*

Current Water Rates & Revenue Schedule

System Name	Number of Customers	Base Facility Charge	Commodity Charge per 1000 gal	Average Consumption gallons	Current Docket Year	Average Customer Bill
Haynesworth Mill	8	\$19.00	\$0.00	5,500	2007	\$19.00

Proposed Water Rates & Revenue Schedule - Phase I  
 To Be Implemented 30 Days After Date of Commission Order

System Name	Number of Customers	Base Facility Charge	Commodity Charge per 1000 gal	Average Consumption gallons	Current Docket Year	Average Customer Bill
Haynesworth Mill	8	\$30.00	\$0.00	5,500	2007	\$30.00

Proposed Water Rates & Revenue Schedule - Phase II  
 To Be Implemented Over a 5 Year Period - within 42 months of Commission Order

System Name	Number of Customers	Base Facility Charge	Commodity Charge per 1000 gal	Average Consumption gallons	Current Docket Year	Average Customer Bill
Haynesworth Mill	8	\$23.00	\$2.50	5,500	2007	\$36.75

\*\*\*\*\***AREA 6. GOAT ISLAND WATER & SEWER:**\*\*\*\*\*

Current Water Rates & Revenue Schedule

System Name	Number of Customers	Base Facility Charge	Commodity Charge per 1000 gal	Average Consumption gallons	Current Rate Docket Year	Average Customer Bill
Goat Island Water & Sewer Co. Inc.	96	\$30.00	\$0.00	5,500	1999	\$30.00



Proposed Water Rates & Revenue Schedule - Phase I  
 To Be Implemented 30 Days After Date of Commission Order

System Name	Number of Customers	Base Facility Charge	Commodity Charge per 1000 gal	Average Consumption gallons	Current Rate Docket Year	Average Customer Bill
Goat Island Water & Sewer Co. Inc.	96	\$30.00	\$0.00	5,500	1999	\$30.00

Proposed Water Rates & Revenue Schedule - Phase II  
 To Be Implemented Over a 5 Year Period Within 60 Months of Commission Order

System Name	Number of Customers	Base Facility Charge	Commodity Charge per 1000 gal	Average Consumption gallons	Current Rate Docket Year	Average Customer Bill
Goat Island Water & Sewer Company, Inc.	96	\$23.00	\$2.50	5,500	1999	\$36.75

**EFFECT ON AVERAGE MONTHLY WATER RATES**

8. Average Monthly Water Bill (Current)..... \$22.17
9. Average Monthly Water Bill (After Phase I Implementation –30 Days After Issuance of Commission Order)..... \$29.67
10. Average Monthly Water Bill (Rate After Phase II Implementation – After 5 years)..... \$36.75

**REQUEST FOR RATE RELIEF (SEWER)**

11. Applicant is seeking an increase in its Sewer Rates and Charges as follows:
12. Applicant **does not seek an increase** in its monthly sewer charge.



13. Applicant seeks approval of a charge for sewer collection only in the amount of twenty dollars (\$20.00) per unit (residential) and twenty dollars (\$20.00) per SFE (commercial).

14. Applicant wishes to increase its sewer tap fee from four hundred and fifty dollars, (\$450.00) to five hundred dollars (\$500.00) per SFE.

15. Applicant seeks approval of a notification fee of ten dollars (\$10.00).

16. Applicant seeks approval of a customer account charge for new customers in the amount of twenty five dollars (\$25.00).

17. Applicant seeks approval of a pumping charge in the amount of one hundred and fifty dollars (\$150.00).

18. Applicant seeks approval for a reconnection charge in the amount of two hundred and fifty dollars (\$250.00).

19. All as set forth in more detail in Exhibit "B" hereto.

#### **SUPPORTING DOCUMENTATION**

20. Applicant proposes a test year of July 1, 2006, to June 30, 2007, and has prepared certain financial statements and documents relating to the time period in support of the Application, which statements/documents are attached hereto and incorporated herein by reference as Exhibits indicated below, or are to be filed. These financial statements/documents include the following:

- a. Balance Sheet, (to be filed)
- b. Current and *pro forma* income and expense statements, (to be filed)
- c. Current water rates and revenue schedule, (Exhibit "A" hereto)
- d. Proposed sewer rate schedule, (Exhibit "B" hereto)
- e. Statement of total plant investment and Depreciation Schedule, (to be filed)
- f. Cost justification for increase in tap fee, (to be filed)
- g. Verification of annual report on file & Gross Receipts paid. (to be filed)

21. To be filed and incorporated herein by this reference as an Exhibit, will be the most recent approval letter(s) from SCDHEC.

22. Filed herewith and incorporated herein by this reference is Exhibit "C", is the Company's current customer bill form.

23. A performance bond is on file with this Commission to satisfy the requirements of S.C. Code Ann. § 58-5-720 (Supp. 2006).

24. Maps depicting Applicant's current service areas are on file with this Commission.

25. The Financial Statements, the other documents submitted herewith, and the references to documents on file with the Commission are offered to comply with Commission Rules R. 103-512.4.A. and other applicable Commission requirements to provide information useful to this Commission in considering the reasonableness of the proposed rates and charges.

#### **NEED AND JUSTIFICATION FOR RATE RELIEF**

26. Applicant submits that the proposed rate increase is necessary in order that it may provide reasonable and adequate service to its customers, cover its expenses, be permitted an opportunity to earn a reasonable return on its investment, and attract capital for future improvements. Proposed rates are also necessary in order that the Applicant may comply with standards and regulations set by SCDHEC or other environmental regulatory authorities. Proposed rates will preserve the financial integrity of the Applicant; promote continued investment in the maintenance of its facilities, and thereby permit Applicant to continue providing reliable and high quality water and sewer services.

#### **APPROVAL OF MANAGEMENT AGREEMENT** *(NUNC PRO TUNC)*

27. Applicant seeks approval of a Management Agreement between Goat Island and Professional Irrigation Co., (Timothy P. Oliver and Billie Ann Oliver).

28. The approval date requested for the Management Agreement is the effective date of the Management Agreement, or July 1, 2006. This approval is sought *Nunc Pro Tunc* and is based on the doctrine of *quantum meruit*, because Goat Island has received the benefits of the Management Agreement since the requested approval date.

29. A copy of the executed Management Agreement will be filed as Exhibit, "D" and is incorporated herein by reference, as if set forth herein *verbatim*.

**WHEREFORE**, having fully set forth its Application, Goat Island Water & Sewer Co., Inc. prays that the Commission approve the rates and charges proposed in the Application, approve the Management Agreement and grant the relief sought in the Application and such relief as this Commission may deem just and proper.

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/S/

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